

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6866

BILL NUMBER: HB 1793

DATE PREPARED: Dec 22, 2000

BILL AMENDED:

SUBJECT: Public Computer Access to Minors.

FISCAL ANALYST: David Hoppmann

PHONE NUMBER: 232-9559

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires a school corporation or a public library that provides computer access to minors with the ability to connect to a computer communication system to: (1) equip the computer with software that will limit the ability of a minor to gain access to materials inappropriate for minors; or (2) purchase Internet connectivity from an Internet service provider that provides filter services to limit access to materials inappropriate for minors.

The bill also requires a library board or the governing body of a school corporation to hold an annual public meeting to determine how the public library or school corporation will comply with the requirements and to determine what materials are considered inappropriate for minors. It requires the governing body or library board to determine what materials are inappropriate for minors to reflect the community's standards as evidenced during the meeting. It also provides that a school corporation or a public library may request a grant from the Indiana Technology Fund to pay for the costs of purchasing software or purchasing Internet connectivity to comply with the requirements of the statute. It requires the request to be approved and the grant to be paid.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill would require that school corporations and public libraries that apply for grants from the Indiana Technology Fund (via the Department of Education and the Indiana Library and Historical Board) be awarded those grants.

Grants would come from appropriations used to fund school corporations and public libraries for computer improvements. For FY 2001, P.L. 273-1999 appropriated a total of \$38 M to the Indiana Technology Fund from the Build Indiana Fund. Of that amount, \$1 M was allocated to the State Backbone project; \$3 M was allocated to the Library and Historical Board for the INSPIRE project; \$6.5 M was allocated to the Intelenet Commission; and \$27.5 M was allocated for the Technology Plan Grant program.

The language of the bill (that requires grant requests be approved and paid) implies that grant requests for the purposes provided in this bill will take priority over other competing uses for the funds. Funding for this provision of the bill would be dependant upon future actions of the Indiana General Assembly.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: School Corporations-Many school corporations already employ Internet filtering devices on computers that are Internet accessible and used by students. Several school corporations also report that Internet filtering has been a topic of discussion at school board meetings. There are 294 school corporations comprised of approximately 2,000 schools in the State of Indiana.

Public Libraries- Many public libraries also employ Internet filtering devices on computers that are Internet accessible and are used by the public. There are currently 248 public libraries, statewide.

Internet Filtering Costs- The effects of this bill would vary by unit and would depend upon the number and type of computers already equipped with either Internet filtering software or connectivity that provides filter services, as well as the configuration of each unit's computer network system. Filtering software ranges from \$25 - \$50 per computer. Costs would vary depending upon local action.

State Agencies Affected: State Budget Agency.

Local Agencies Affected: School Corporations and Public Libraries.

Information Sources: PC Magazine Online, 1998 & 1999 Utility Guides; School corporations responding to LSA request for information on Internet filtering; 1998 public policy library survey conducted by the State Library.